

**Budget and Finance Review Committee  
Meeting Minutes  
July 27, 2007**

The Bethany Beach Budget and Finance Committee held a meeting on Friday, July 27, 2007, in the Town Meeting Room.

Members present: Jerry Dorfman, Chairman, who presided; Don Doyle, Jack Gordon, and Joseph Healy.

Excused: Phil Rossi and Robert Cuff

Absent: Ray Conlon

Also present: Cliff Gravier, Town Manager; Janet Connery, Finance Director; Tony McClenny, Vice-Mayor; Tracy Mulligan, Town Council Member; JoAnna Nichols, Administrative Secretary; and other interested members of the public.

**Call to Order**

Mr. Dorfman called the meeting to order at 2:00 p.m.

**Approval of the Agenda**

Mr. Doyle made a motion to approve the agenda. The motion was seconded by Mr. Healy and was unanimously approved.

**Approval of the Minutes from the March 16, 2007 meeting**

Mr. Gordon made a motion to approve the minutes as amended. The motion was seconded by Mr. Healy and unanimously approved.

At this time, Mr. Dorfman turned the meeting over to Ms. Connery and Mr. Gravier.

In regards to the final review of the 2007 fiscal budget, Ms. Connery stated that the finance department has done exactly what they set out to do. In fact, the town is \$59,000 over budget in rental taxes, which is 4.9% more than last year. This showed that summer revenues from vacationers were strong. Parking revenue ended over budget as well, 10% from the prior year. Transfer tax was slightly just over half of the previous year, at \$852,000 because of the decrease in the housing market. The water impact fees and building permits were also under budget due to the same reason. The total end for the year was \$333,000 under budget for revenue.

Ms. Connery was happy to report that at the last audit meeting, July 26, 2007, the town received an excellent report in all areas and, the town's current ratio and debt to equity was excellent. She also mentioned that the FY 2007 financial statements are complete and copies would soon be available.

As far as fee changes approved March 2007 on property, business, parking and rental taxes, it was too soon to see the full affect in the business area, however, parking is up by 26%. More details would be presented at a future meeting.

On the agenda under New Business, combining numbers one through three, Mr. Doyle felt it was best to leave Commercial and Residential Rental taxes where they currently are. He stated changing them would send a bad message other than the taxes and fees were raised.

Mr. Dorfman concurred that although the funds might not be high; it is the perspective behind the idea.

There were no objections that Commercial and Residential Rental Taxes would remain at 6%.

Lastly, in reference to the monthly council financial report, the consensus was that a draft quarterly report would be created and circulated through the committee for comment. The current monthly report format would continue until the new one is in place and ready for council to review. It will consist of a written narrative, using dollar figures not percentages, the status on capital projects, available funds and overall more words then numbers.

The question of why the financial report needed to be voted on and approved on a monthly basis by Town Council was raised. Mr. Gravier said he would check with the Town Solicitor to see if there is any reason to vote in accepting the report. Mr. Killmer noted there is a big difference between an approval and acceptance.

Mr. Doyle made a motion to adjourn the meeting at 3:20 pm. Mr. Gordon seconded the motion and it was unanimously approved.

Mr. Dorfman noted that since Mr. Conlon has not been attending these meetings on a regular basis, it is possible that he may no longer serve on this committee.

No date was set for the next meeting at this time.

Respectfully submitted:

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JoAnna Nichols  
Administrative Secretary